

Research Department



December 7, 2022

Current Policy Perspectives

Sectoral Mobility during the COVID-19 Pandemic

Catherine Cox and Osborne Jackson

This study uses the longitudinal design of the US Current Population Survey to describe sectoral mobility trends for workers before and after the emergence of COVID-19. We find a small increase in the 15-month rate of workers who switched industries following the onset of the pandemic, likely driven by workers who did not have an unemployment stint following job separation. However, larger changes in sectoral mobility during this time are evident when we examine differences across regions, industries, and individuals who are stratified by characteristics such as sex, age, or education. These results suggest that while the COVID-19 pandemic is not associated with a large aggregate change in sectoral mobility, more considerable disaggregated patterns can be found across markets and people.

Catherine Cox was a senior research assistant with the New England Public Policy Center in the Federal Reserve Bank of Boston Research Department when she coauthored this study. Osborne Jackson is a senior economist with the New England Public Policy Center in the Federal Reserve Bank of Boston Research Department. His email address is <u>Osborne Jackson@bos.frb.org</u>.

The views expressed herein are those of the author and do not indicate concurrence by the Federal Reserve Bank of Boston, the principals of the Board of Governors, or the Federal Reserve System.

The authors thank Jeff Thompson for his valuable suggestions and feedback, and they thank Matt Sexton for beneficial comments. Larry Bean and Brad Arndt provided helpful edits.

Public Service That Makes a Difference®

bostonfed.org

1. Introduction

The COVID-19 pandemic has had a substantial impact on the US labor market. From the historically high unemployment rates of the pandemic-driven recession in March and April 2020 to the ongoing recovery characterized partly by record-high quit rates, a distinct set of labor market features has emerged in the years following the onset of the COVID-19 crisis.¹ These market traits and the public health landscape suggest the possibility that workers are now considering their industry of employment in a manner different from how they did before the pandemic.

This study examines descriptive patterns in US sectoral mobility from 1996 through 2022, comparing the period before the pandemic ("pre-COVID") and the period after it commenced ("post-COVID").² While numerous papers explore aspects of sectoral mobility before the pandemic, analysis of such industry switching after COVID-19's emergence is limited, due largely to the recency of this public health event. Some of these studies focus broadly on the extent of labor reallocation across sectors (Aaronson, Lewers, and Sullivan 2021; Anayi et al. 2021; Barrero et al. 2021; David 2021) or, alternatively, the role of sectoral mismatch (Carrillo-Tudela et al. 2022; IMF Staff 2022).³ This work generally finds sparse evidence of cross-industry worker movements that are associated with the COVID-19 pandemic.

Our research adds to this growing body of work analyzing differences in sectoral mobility patterns following the onset of COVID-19 in the United States. We find a small change during the pandemic regarding workers who switch industries within 15 months of a job separation, increasing from 19.6 percent in the pre-COVID period to 21.1 percent in the post-COVID period.

¹ See Alyssa Fowers and Andrew Van Dam, "The Most Unusual Job Market in Modern American History, Explained," *Washington Post*, December 29, 2021.

² Accordingly, "post-COVID" should not be interpreted as reflecting the period after the end of the pandemic.

³ Some work examines labor reallocation but either analyzes within-industry worker transitions or combines withinindustry and between-industry movements, thus omitting an assessment of sectoral mobility in both cases (Barrero, Bloom, and Davis 2020; Bick and Blandin 2022).

This slight growth is likely driven by workers who did not experience an unemployment spell following job separation. The observed stability in sectoral mobility over time is exhibited in geographic markets throughout the nation, although mobility has decreased in the Northeast and has increased notably in the Midwest.⁴ Sectoral mobility patterns also differ across industries. Over time, reemployed job-separated workers increasingly tended to leave the various services and trade industries and increasingly were drawn to public administration and construction. Several patterns across individuals are also evident from our analysis. The share of female workers switching industries exhibited a sizable pandemic-related increase (17.7 percent to 23.1 percent), while the corresponding share of male workers decreased over the same period (21.4 percent to 19.3 percent). Sectoral mobility also increased over time for workers aged 45 and older, workers with at least some college education, workers with greater attachment to the labor market, and workers with no children in the household. These patterns suggest that although the COVID-19 pandemic is not associated with a large aggregate change in sectoral mobility over time, it is important to examine disaggregated changes, as trends differ across markets and people. Information on these disparate trends may improve the targeting or funding of policies related to worker reemployment in the COVID-19 era, such as policies that account for a worker's childcare needs, which may have changed during the pandemic.⁵

The rest of the study proceeds as follows. Section 2 describes the data and creation of the analysis sample. Section 3 presents results across markets, while section 4 discusses findings across individuals. Section 5 concludes.

⁴ This study does not examine geographic relocation itself because information on such migrating households is not available in the sample data.

⁵ For example, the Child Care Subsidy Program in Maine helps eligible families pay for childcare so that parents can work, attend school, or participate in a job-training program. After the onset of the pandemic, the state government temporarily expanded this subsidy to extend eligibility to any essential workers, irrespective of income (see Robbie Feinberg, "Maine Child Care Providers to Receive a bout \$11M in Coronavirus Relief," *Maine Public* website, April 23,2020).

2. Data and Sample

Data

This study uses labor force information provided by the Current Population Survey (CPS) from January 1996 through March 2022 (Flood et al. 2021).⁶ The CPS is the primary source of US labor force statistics and is sponsored jointly by the US Census Bureau and the US Bureau of Labor Statistics (BLS). The Basic Monthly Survey (BMS) component of the CPS uses a rotating sample of 60,000 households, whose responses refer to activities from the previous week that includes the 12th of the month. Households are in the CPS for four consecutive months, out for eight months, and then return for four months before leaving the sample permanently (US Census Bureau 2006). This 4-8-4 design enables the BMS to be used as a longitudinal survey, although it is typically used as a pooled cross section.

Sample

Like Jackson (2021), we impose various data restrictions to create the sample used for sectoral mobility analysis. First, we apply initial restrictions to support data quality, such as retaining a person in the sample only if their age evolves as expected.⁷ We then impose additional restrictions to create a longitudinal data set of workers who experience a voluntary or involuntary job separation. This contrasts with Jackson (2021), who focuses on long-tenured workers who suffer an involuntary job separation using the BMS and one of its supplements, the biannual Displaced

⁶ We chose the January 1996–March 2022 period due to changes in survey methods and data collected in 1994, datalinking issues in 1994 and 1995, and no further data being a vailable after March 2022 when a nalysis was completed (Drew, Flood, and Warren 2014).

⁷ Initial sample restrictions match Jackson (2021) except for the following a djustments: (1) retaining some persons who were not in the CPS for eight months but still participated for at least four months (namely, the first two and last two eligible months-in-sample, corresponding to survey months 1, 2, 15, and 16); (2) retaining persons with part-time employment spells, for certain analysis; and (3) dropping persons for whom information on the reason for unemployment is either time-varying during the unemployment stint, unexpectedly in-universe, or unexpectedly not in-universe.

Worker Survey (DWS). Our study is not limited to displaced workers, for two reasons. First, the most recently available data from the DWS were collected in January 2020, before the start of the COVID-19 pandemic in the United States. Second, given the large number of workers who have quit their jobs since the pandemic began, it is of interest to examine sectoral mobility patterns that include voluntary job separations.⁸

All sample persons whose last observed month-in-sample is February 2020 or earlier are designated as part of the "pre-COVID" period. Persons whose first observed month-in-sample is March 2020 or later are assigned to the "post-COVID" period. Given baseline employment in the first month-in-sample, the analysis focuses on individuals who experienced one job separation over the subsequent 15 months spanning CPS participation. The sample also excludes persons with linking issues over time and observed errors related to sectoral mobility, such as an industry change occurring before the identified job separation. Industries are broadly defined, with nine large sectors aggregated at a level that differs somewhat from the 20 sectors reflecting two-digit categories in the North American Industry Classification System.

Given the numerous restrictions for the sample, we follow Jackson (2021) and create descriptive weights for all sample workers. These weights reflect both a CPS sample design weight and a post-stratification weight, with the latter purposed to capture unintended sample selection along multiple dimensions. These dimensions are sex, race/ethnicity, age, education, region, and period. With the weights applied, sample statistics for share measures closely reflect the national populations of interest, such as the share that is female aged 16 and older.⁹

⁸ See Bryan Mena, "Workers Quit Jobs at a Record Level," *Wall Street Journal*, January 5, 2022.

⁹ In 2018, this share of the population was 51.2 percent according to the US Census Bureau and 50.1 percent according to our weighted sample estimate. All examined sample statistics fall within a 10 percent absolute deviation from their population analogs.

The final sample, which spans January 1996 through March 2022, contains an unweighted count of 76,225 workers who experienced a job separation. Of these workers, 74,962 are in the pre-COVID period, and 1,263 are in the post-COVID period. Among the job-separated workers in the post-COVID era, 1,126 are reemployed, and a further subset of 269 persons are reemployed in a new industry (as compared with 14,397 such persons in the pre-COVID era). Worker counts vary for subsample analysis, but every identified group in that analysis reflects at least 10 persons, unless otherwise noted.

3. Patterns across Markets

Overall

Figure 1 displays the share of workers who changed industries within 15 months of a job separation as well as those who alternatively remained in the same industry, became unemployed, or left the labor force, both before and after the onset of the COVID-19 pandemic. Over time, the 15-month sectoral mobility rate increased slightly from 19.6 percent in the pre-COVID era to 21.1 percent in the post-COVID era.^{10 11} Across these periods, we also observe increases in the share of workers who stayed in the same industry (61.8 percent rising to 64.3 percent) and who left the labor force (5.5 percent rising to 6.7 percent). Accordingly, the 15-month share of workers who remained unemployed following a job separation fell notably over time, from 13.1 percent to 7.9 percent.¹²

¹⁰ Although we refer to the sectoral mobility "rate" throughout this study, we acknowledge that we focus on a subset of all workers for our analysis (namely, workers initially employed in the baseline month who experienced a job separation).

¹¹ We also observe an increase in sectoral mobility over time when focusing solely on recovery periods of equal duration, before and a fter the onset of COVID-19. In the 23 post-COVID months from May 2020 through March 2022, the 15-month sectoral mobility rate remained 21.1 percent. In the 23 pre-COVID months from July 2009 through May 2011, the sectoral mobility rate was 15.3 percent, whereas in the 23 pre-COVID months from April 2018 through February 2020, the sectoral mobility rate was 17.2 percent. Thus, we find evidence of a rise in sectoral mobility over time even before the start of the pandemic.

¹² One might be concerned that we induce measurement error into the analysis by allowing some workers to remain in the sample despite having intervening out-of-sample periods of as long as 12 months, thereby particularly

The observed change in the share of unemployed workers may seem surprising, especially given record levels of unemployment during the pandemic-driven recession in March and April 2020.¹³ However, it is important to recall that our post-COVID period runs from March 2020 through March 2022, thus incorporating 23 months of recovery following the two-month economic downturn. Additionally, our analysis focuses on persons who were initially employed in a baseline month before experiencing a job separation. As a result, our estimated trends exclude individuals who remained unemployed after a baseline month of nonemployment, whereas such persons would contribute to national unemployment statistics.

Reasons for Job Separation

Our sample data afford us the opportunity to identify the reasons for job separation for the subset of workers who experienced an unemployment spell and indicated the cause of this stint. Such "identifiable" job separations may thus correspond to workers experiencing any of the following observed worker flows in our sample: E-U, E-U-E, E-U-N, E-U-N-E, E-N-U, E–N–U–E, E-U-N-U, E-N-U-N, and E-U-N-U-E (where "E" reflects employed status, "U" reflects unemployed status, and "N" reflects not-in-labor-force status).¹⁴ Identifiable job separations would therefore exclude observed worker flows that do not include a period of unemployment, such as E-E flows. For our sample of workers with one job separation, we find that the worker flows corresponding

underestimating sectoral mobility and overestimating within-industry movements. However, we observe very similar patterns when restricting our sample to workers who are surveyed for all eight possible months-in-sample and have eight intervening out-of-sample months. For instance, in that restricted sample, growth across periods in the 15-month sectoral mobility rate is only slightly elevated compared with our primary analysis (19.6 percent rising to 21.3 percent), while cross-period growth in the same-sector share is only slightly diminished (62.0 percent rising to 64.3 percent).

¹³ See Nelson D. Schwartz, Ben Casselman, and Ella Koeze, "How Bad Is Unemployment? 'Literally off the Charts," *New York Times*, May 8, 2020.

¹⁴ While theoretically observable, there are no instances of E-N-U-N-E worker flows in our sample.

to identifiable job separations account for 38.4 percent of the pre-COVID population and 34.4 percent of the post-COVID population.

Figure 2 separately presents voluntary and involuntary sectoral mobility before and after the onset of the pandemic. In contrast to overall patterns, sectoral mobility is observed to have decreased across the pre-COVID and post-COVID periods, irrespective of the reason for job separation. However, this decline in industry switching over time was relatively larger for workers with voluntary job separations (28.1 percent falling to 17.2 percent) than for those with involuntary job separations (16.3 percent falling to 14.8 percent). This descriptive result is consistent with the research finding that job displacement, relative to voluntary job separation, causally increases the probability of sectoral mobility (Jackson 2021). Same-industry movements increased over time for workers with voluntary separations (46.1 percent rising to 63.9 percent). For workers with involuntary separations, unemployment also decreased notably across periods (35.9 percent falling to 20.7 percent). More generally, the disaggregated findings in Figure 2 highlight that the overall patterns in Figure 1 are likely driven by workers who did not experience an unemployment spell following job separation.

Region

Figure 3 examines sectoral mobility before and after the start of the pandemic, nationally and for each of four regions of the country (Northeast, Midwest, South, and West). Unlike earlier analysis, this figure depicts the number of workers who changed sectors as a share of reemployed workers only (that is, excluding nonemployed workers). The figure also focuses on same-length recovery periods of 23 months surrounding the pandemic-induced recession to identify typical sectoral mobility patterns and allow for comparable cross-region variation in sectoral mobility over time.

As in Figure 1, US sectoral mobility exhibits only a slight increase across periods in Figure 3 (22.5 percentrising to 24.7 percent). The figure also highlights that sectoral mobility across regions is comparable to the national pattern and has likewise remained stable over time. However, the West exhibits relatively more industry switching, perhaps due to a sparser geographic concentration of industries. Additionally, sectoral mobility has decreased over time in the Northeast and has increased markedly in the Midwest.¹⁵ However, the post-COVID-period sectoral mobility rate in the Northeast should be interpreted with caution due to small sample counts.

Industry

Continuing the focus on reemployed job-separated workers, Figure 4 displays the net sectoral mobility to a given industry as a share of origin-industry employment. We examine these industry patterns in the pre-COVID period, the post-COVID period, and across periods. Over time, reemployed job-separated workers increasingly tended to leave the following sectors: mining, "FIRE" (finance, insurance, and real estate), various services, and trade. For example, regarding reemployed workers who experienced a job separation, post-separation employment growth in the various services sector was 2.7 percent in the pre-COVID period and -3.0 percent in the post-COVID period, reflecting a change of -5.8 percentage points across periods.¹⁶ This decline across periods is not surprising given the distinct impact of the pandemic

¹⁵ Our findings are qualitatively similar when we examine an alternative pre-COVID recovery period of 23 months from July 2009 through May 2011, as well as when we examine the full pre-COVID and post-COVID periods. ¹⁶ The change is not -5.7 percentage points due to rounding error.

on the service industry.¹⁷ Conversely, reemployed job-separated workers increasingly were drawn to the following sectors over time: transportation, communication, and other utilities; public administration; construction; agriculture, forestry, and fishing; and manufacturing. While the magnitude of large changes across periods may be partly due to industry size for smaller industries (for instance, mining), the direction of the observed changes remains informative for all industries.¹⁸ Additionally, it is worth emphasizing that these patterns apply to reemployed job-separated workers rather than all workers. Overall sector growth would thus be influenced by additional worker flows not reflected in Figure 4, such as a change in the rate of workers who entered a sector following initial nonemployment.¹⁹

4. Patterns across Individuals

Sex

Figure 5 illustrates that while male sectoral mobility decreased slightly from the pre-COVID to the post-COVID period, from 21.4 percent to 19.3 percent, same-industry reemployment increased from 60.4 percent to 67.6 percent. The share of male workers remaining unemployed and the share exiting the labor force both decreased during this time frame. These patterns suggest that for men overall, some labor market circumstances may have improved over time. This may be attributable

¹⁷ See Eduardo Porter, "Retraining Programs Aim to Help People with Service Jobs That May Never Return," *New York Times*, December 2, 2020.

¹⁸ In both periods, the smallest industries a mong reemployed job-separated workers are mining; agriculture, forestry, and fishing; and public administration. By contrast, the largest industries a mong such workers in both periods are various services and trade.

¹⁹ This might help explain the growth in the public administration industry shown in Figure 4, despite evidence of sluggish overall growth in this sector following the onset of the pandemic (Ansell and Mullins 2021).

to the relatively recent reports of labor shortages in the months since the very beginning of the pandemic, as the economy recovers from the initial shock in March 2020.²⁰

Female sectoral mobility increased over time from 17.7 percent to 23.1 percent, while sameindustry reemployment among female workers decreased from 63.1 percent to 60.6 percent, leading to a net increase in reemployment. Additionally, female unemployment decreased from 12.3 percent to 5.5 percent, while labor force exits following a job separation increased from 6.8 percent to 10.9 percent. This finding may align with reports of women having to leave the labor force due to changes in childcare needs and other household circumstances caused by the pandemic (Stevenson 2021; Atkinson and Richter 2020).²¹

Age

Figure 6 illustrates how industry switching following job separation differed between age groups. For the 16–44 group, rates of sectoral mobility following unemployment were about the same for the pre-COVID and post-COVID periods, around 23 percent. For the 45+ age group, however, sectoral mobility increased during this time, from 13.5 percent to 17.7 percent. Same-industry reemployment was higher in the post-COVID period than in the pre-COVID period for both the 16–44 and 45+ age groups. Among those who did not return to work, unemployment rates decreased from the pre-COVID period to the post-COVID period for both the 16–44 and 45+ age groups. For the 16–44 age group, the rate of those leaving the labor force increased from 4.5 percent to 6.8 percent during this time, but this exit rate decreased from 7.3 to 6.6 percent for the 45+ age group. While there have been reports of COVID-19 inducing people to retire early, since

 ²⁰ See Thomas Barkin, "Breaking Down the Labor Shortage," Federal Reserve Bank of Richmond, March 3, 2022.
²¹ While it also would be interesting to investigate patterns by race/ethnicity, such analysis is not possible due to small sample counts for such demographic groups.

many prime-age workers are included in the 45+ age group, these early-retirement effects may be obscured.²² Another possible explanation for this finding is that individuals aged 55 and older who were originally thought to have taken an early retirement at the beginning of the pandemic returned to the workforce and therefore did not truly retire.²³

Education

A notable change in sectoral mobility patterns for people with differing levels of education occurred during the post-COVID period. As shown in Figure 7, in the pre-COVID period, those with a college education or more had the lowest sectoral mobility, at 16.4 percent. In the post-COVID period, however, workers with a high school diploma or less had the lowest new-industry reemployment, at 19.7 percent. Individuals with a high school diploma or less had the lowest oldindustry reemployment during the pre-COVID period but the highest in the post-COVID period. These results may partly reflect that many workers in high-demand, "frontline" jobs during the pandemic tended to have lower levels of education (Blau, Koebe, and Meyerhofer 2021).

Individuals with a high school diploma or less were the most likely to leave the labor force in the pre-COVID period (6 percent rate of departure), but those with a college degree or more were the most likely to leave in the post-COVID period (8.4 percent). This result may partly reflect highly educated people having the option of not returning to work during the pandemic to address competing needs or preferences, such as childcare or not wanting to opt into an in-person job, while those with less education might have had less choice regarding such items.²⁴

²² See Alexandre Tanzi and Michael Sasso, "Covid Early Retirees Top 3 Million in U.S., Fed Research Shows," Bloomberg, October 22, 2021.

 ²³ See Ben Casselman, "'I Had to Go Back': Over 55, and Not Retired a fter All," *New York Times*, May 19, 2022.
²⁴ See Bryan Lufkin, "The Workers Quitting over Return-to-office Policies," BBC, May 24, 2022.

Attachment

Figure 8 shows that sectoral mobility increased from 19.2 percent to 21.8 percent over time for highly attached individuals, while it decreased slightly, from 20.3 percent to 20.0 percent, for the marginally attached.²⁵ Same-industry reemployment increased, unemployment decreased, and labor force exits increased for both groups. Labor force departures increased only slightly for highly attached individuals. For both groups, more people became reemployed in the post-COVID period compared with the pre-COVID period.

Children

Figure 9 highlights that workers with no children increased their sectoral mobility after the onset of the pandemic from 20.3 percent to 23.8 percent, while those with children decreased their sectoral mobility from 18.7 percent to 17.9 percent. The proportion of workers who became reemployed in their old industry, on the other hand, increased for those with and those without children. Among workers without children, the share who left the labor force decreased in the post-COVID period but only slightly. Among those with children, the share who left the labor force increased in the post-COVID period, almost doubling from 4.3 percent to 7.1 percent. It is possible that the decrease in sectoral mobility coinciding with the increase in labor force due to greater childcare responsibilities during the pandemic rather than accept a new job in a new industry (Montes, Smith, and Leigh 2021). Parents with children under age 5 also exhibited this increase in labor force exits following the onset of the pandemic, with the rate of those who did so following a job separation more than doubling. The sectoral mobility rate of these workers increased slightly

²⁵ Workers who are employed full-time in the baseline month-in-sample are "highly attached," while workers who are employed part-time in the baseline month-in-sample are "marginally attached."

during the same time, though. While these results for parents with young children are worth noting, they should be interpreted with caution, as they rely on small sample counts.

5. Conclusion

This study uses the US Current Population Survey from January 1996 through March 2022 to explore the relationship between sectoral mobility and the COVID-19 pandemic. We observe that, overall, the 15-month rate of industry switching following a job separation increased slightly in the post-COVID period. However, we find more substantial changes in sectoral mobility associated with the pandemic when examining differences across markets and groups of workers. These results illustrate the importance of accounting for such dimensions of heterogeneity when assessing the extent of shifts in worker movements across industries during the pandemic. Findings regarding these differential trends may improve the targeting of policies related to worker reemployment following the onset of the COVID-19 pandemic. Further analysis of the causes of disaggregated trends in sectoral mobility likely would also be beneficial for designing optimal related policies.

References

- Aaronson, Daniel, Riley Lewers, and Daniel G. Sullivan. 2021. "Labor Reallocation during the Covid-19 Pandemic." Chicago Fed Letter No. 455. Chicago, IL: Federal Reserve Bank of Chicago.
- Anayi, Lena, Jose Maria Barrero, Nicholas Bloom, Philip Bunn, Steven Davis, Julia Leather, Brent Meyer, Myrto Oikonomou, Emil Mihaylov, Paul Mizen, and Gregory Thwaites. 2021. "Labour Market Reallocation in the Wake of Covid-19." *VoxEU* column. London, UK: Centre for Economic Policy Research.
- Ansell, Ryan, and John P. Mullins. 2021. "COVID-19 Ends Longest Employment Recovery and Expansion in CES History, Causing Unprecedented Job Losses in 2020." *Monthly Labor Review*. Washington, DC: US Bureau of Labor Statistics.
- Atkinson, Tyler, and Alex Richter. 2020. "Pandemic Disproportionately Affects Women, Minority Labor Force Participation." Research Department Report. Dallas, TX: Federal Reserve Bank of Dallas.
- Barkin, Thomas. 2022. "Breaking Down the Labor Shortage." Speech. Richmond, VA: Federal Reserve Bank of Richmond.
- Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis. 2020. "COVID-19 Is Also a Reallocation Shock." *Brookings Papers on Economic Activity* 2020(2): 329–383.
- Barrero, Jose Maria, Nicholas Bloom, Steven J. Davis, and Brent H. Meyer. 2021. "COVID-19 Is a Persistent Reallocation Shock." Becker Friedman Institute for Economics Working Paper. Chicago, IL: University of Chicago.
- Bick, Alexander, and Adam Blandin. 2022. "Employer Reallocation during the COVID-19 Pandemic: Validation and Application of a Do-it-yourself CPS." Research Department Working Paper. St. Louis, MO: Federal Reserve Bank of St. Louis.
- Blau, Francine D., Josefine Koebe, and Pamela A. Meyerhofer. 2021. "Who Are the Essential and Frontline Workers?" *Business Economics* 56(3): 168–178.
- Carrillo-Tudela, Carlos, Camila Comunello, Alex Clymo, Annette Jackle, Ludo Visschers, and David Zentler-Munro. 2022. "Job Search and Mismatch during the Covid-19 Pandemic." *VoxEU* column. London, UK: Centre for Economic Policy Research.
- David, Joel. 2021. "Has Covid-19 Been a 'Reallocation Recession'?" Chicago Fed Letter No. 452. Chicago, IL: Federal Reserve Bank of Chicago.
- Drew, Julia A. River, Sarah Flood, and John Robert Warren. 2014. "Making Full Use of the Longitudinal Design of the Current Population Survey: Methods for Linking Records across 16 Months." *Journal of Economic and Social Measurement* 39(3): 121–144.

- Flood, Sarah, Miriam King, Renae Rodgers, Steven Ruggles, J. Robert Warren, and Michael Westberry. 2021. Integrated Public Use Microdata Series, Current Population Survey. Version 9.0 [dataset]. Minneapolis, MN: IPUMS.
- IMF Staff. 2022. "G-20 Background Note on Minimizing Scarring from the Pandemic." Policy Paper. Washington, DC: International Monetary Fund.
- Jackson, Osborne. 2021. "Job Displacement and Sectoral Mobility." Research Department Working Paper. Boston, MA: Federal Reserve Bank of Boston.
- Montes, Joshua, Christopher Smith, and Isabel Leigh. 2021. "Caregiving for Children and Parental Labor Force Participation during the Pandemic." *FEDs Notes*. Washington, DC: Board of Governors of the Federal Reserve System.
- Stevenson, Betsey. 2021. "Women, Work, and Families: Recovering from the Pandemic-induced Recession." Report. Washington, DC: Brookings Institution.
- US Census Bureau. 2006. "Current Population Survey: Design and Methodology." US Census Bureau Technical Paper 66.

Figures

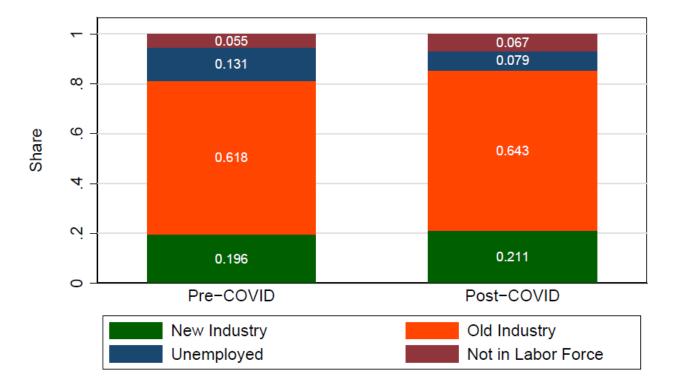


Figure 1: Sectoral Mobility before and during the Pandemic

Source(s): Bureau of Labor Statistics and authors' calculations

Note(s): Pre-COVID period is January 1996 through February 2020. Post-COVID period is March 2020 through March 2022. Each series measures the share of voluntarily and involuntarily jobseparated workers reaching the noted status within 15 calendar months after baseline employment.

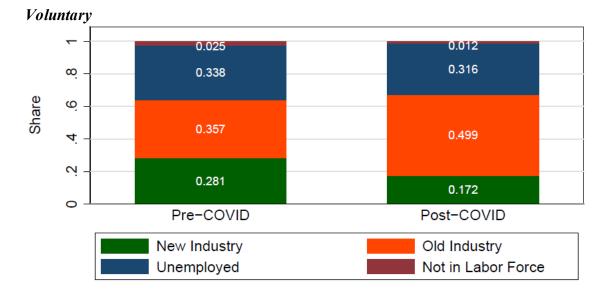
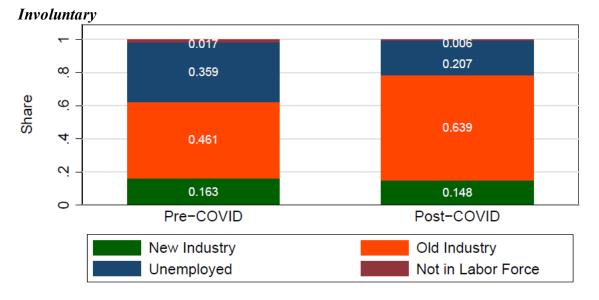


Figure 2: Voluntary and Involuntary Sectoral Mobility before and during the Pandemic



Note(s): Pre-COVID period is January 1996 through February 2020. Post-COVID period is March 2020 through March 2022. Each series measures the share of identifiable voluntarily (upper figure) or involuntarily (lower figure) job-separated workers reaching the noted status within 15 calendar months after baseline employment. Identifiable job separations may reflect workers experiencing any of the following observed worker flows (due to usage of information on the reason for unemployment in a given month surveyed): E-U, E-U-E, E-U-N, E-U-N-E, E-N-U, E-N-U-E, E-U-N-U, E-N-U-E, E-U-N-U, E-N-U-E, The displayed shares for Post-COVID "New Industry" (voluntary) and "Not in Labor Force" (both voluntary and involuntary) are each calculated using fewer than 10 workers and should be interpreted with caution.

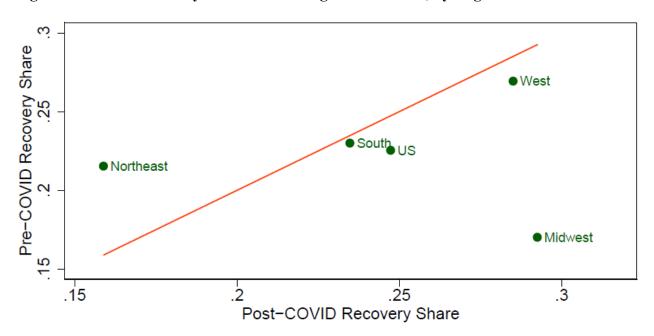


Figure 3: Sectoral Mobility before and during the Pandemic, by Region

Note(s): Pre-COVID Recovery period is April 2018 through February 2020. Post-COVID Recovery period is May 2020 through March 2022. Figure examines the share of reemployed job-separated workers who change sectors within 15 calendar months after baseline employment. A y=x line is shown in the figure. The noted share for Post-COVID Recovery "Northeast" is calculated in part using fewer than 10 workers and should be interpreted with caution. The displayed (x,y) plot values are as follows: US (0.247,0.225); Midwest (0.292,0.170); Northeast (0.159,0.215); South (0.235,0.230); and West (0.285,0.269).

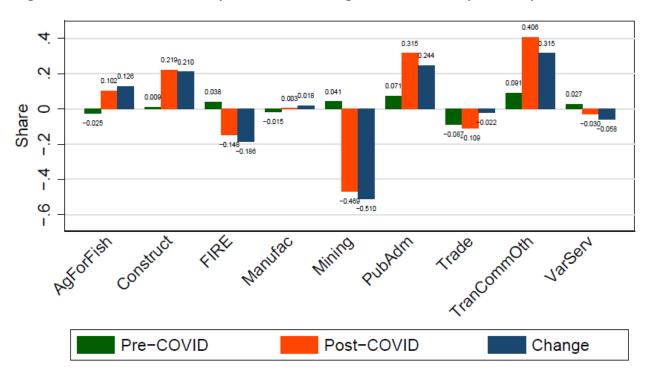
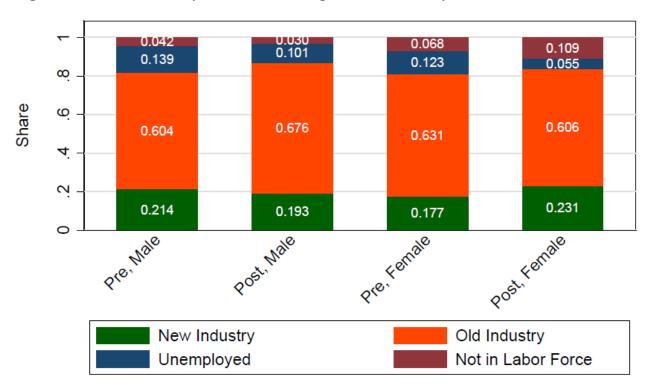
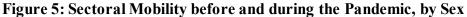


Figure 4: Net Sectoral Mobility before and during the Pandemic, by Industry

Note(s): Pre-COVID period is January 1996 through February 2020. Post-COVID period is March 2020 through March 2022. Figure examines the net mobility to a given industry (as a share of origin industry employment) of reemployed job-separated workers within 15 calendar months after baseline employment. Displayed "Change" values do not always equal the sum of "Pre-COVID" and "Post-COVID" values due to rounding error. AgForFish is agriculture, forestry, and fishing; Construct is construction; FIRE is finance, insurance, and real estate; Manufac is manufacturing; Mining is mining; PubAdm is public administration; Trade is wholesale and retail trade; TranCommOth is transportation, communication, and other utilities; and VarServ is various services.





Note(s): Pre-COVID period ("Pre") is January 1996 through February 2020. Post-COVID period ("Post") is March 2020 through March 2022. Each series measures the share of voluntarily and involuntarily job-separated workers reaching the noted status within 15 calendar months after baseline employment.

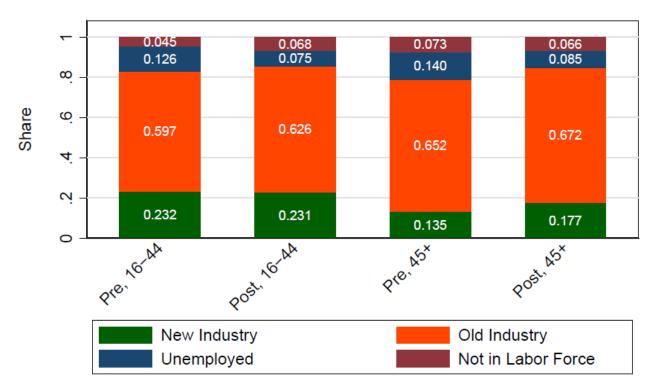


Figure 6: Sectoral Mobility before and during the Pandemic, by Age

Note(s): Pre-COVID period ("Pre") is January 1996 through February 2020. Post-COVID period ("Post") is March 2020 through March 2022. Each series measures the share of voluntarily and involuntarily job-separated workers reaching the noted status within 15 calendar months after baseline employment.

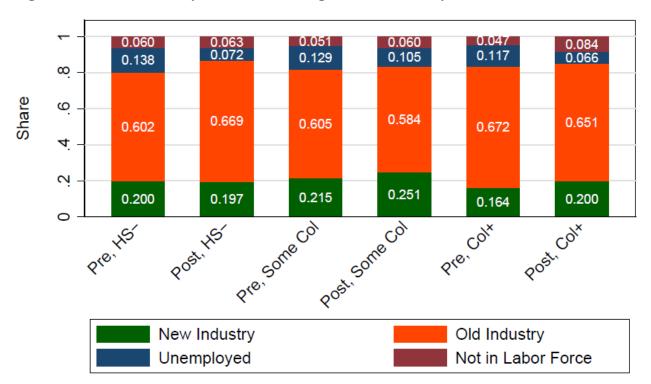


Figure 7: Sectoral Mobility before and during the Pandemic, by Education Level

Note(s): Pre-COVID period ("Pre") is January 1996 through February 2020. Post-COVID period ("Post") is March 2020 through March 2022. Each series measures the share of voluntarily and involuntarily job-separated workers reaching the noted status within 15 calendar months after baseline employment. "HS–" reflects high school (diploma or equivalent) or less education (including not-in-universe or blank survey responses). "Some Col" reflects some college education (including an associate degree). "Col+" reflects college education (bachelor's degree) or more.

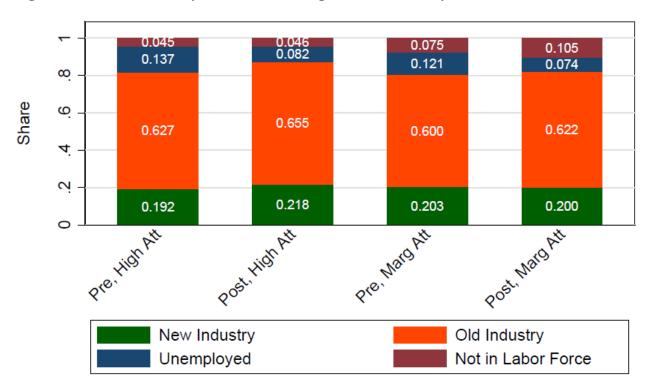


Figure 8: Sectoral Mobility before and during the Pandemic, by Labor Market Attachment

Note(s): Pre-COVID period ("Pre") is January 1996 through February 2020. Post-COVID period ("Post") is March 2020 through March 2022. Each series measures the share of voluntarily and involuntarily job-separated workers reaching the noted status within 15 calendar months after baseline employment. "High Att" reflects high labor market attachment (full-time employment in the baseline month-in-sample). "Marg Att" reflects marginal labor market attachment (part-time employment in the baseline month-in-sample).

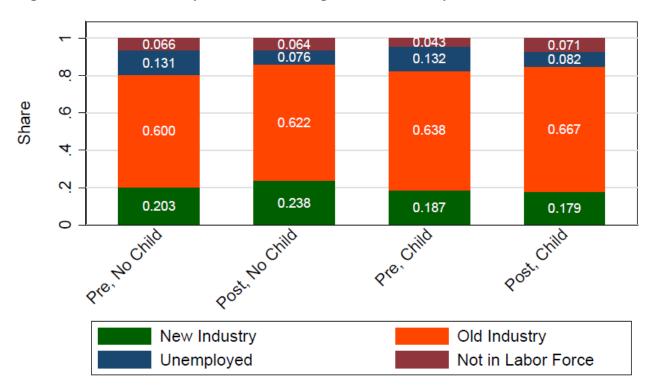


Figure 9: Sectoral Mobility before and during the Pandemic, by Presence of Children

Note(s): Pre-COVID period ("Pre") is January 1996 through February 2020. Post-COVID period ("Post") is March 2020 through March 2022. Each series measures the share of voluntarily and involuntarily job-separated workers reaching the noted status within 15 calendar months after baseline employment. "No Child" reflects no own child in the household. "Child" reflects at least one own child in the household.